

Service Date: January 10, 1995

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER of the Application for)	UTILITY DIVISION
Authority of ROCHESTER TELEPHONE)	DOCKET NO. 94.12.60
CORPORATION to Acquire the Outstanding)	
Shares of AMERICAN SHARECOM, INC.)	DEFAULT ORDER NO. 5824

On December 6, 1994, Rochester Telephone Corporation ("RTC") Inc. filed an application with the Montana Public Service Commission ("commission") seeking approval to acquire the outstanding shares of American Sharecom, Inc. ("sharecom").

RTC, a publicly held New York Corporation, is the parent company of a number of local telephone company subsidiaries in thirteen states and long distance companies certificated in many states. RTC is to be renamed Frontier Corporation effective January 1, 1995.

Sharecom, a privately-held Minnesota corporation, provides resale of interexchange telecommunications services within Montana. Sharecom is currently authorized by the FCC to provide domestic interstate and international services as a non-dominant carrier in all 50 states and the District of Columbia. Pursuant to this proposed transaction, RTC will acquire all outstanding shares of common stock of Sharecom. In exchange, Sharecom's shareholders will receive a total of 8,710,000 shares of the \$1.00 par value common stock (less such shares as are to be deposited in an Escrow Fund, plus an interest in the Escrow Fund).

After the completion of the transaction, RTC will be the corporate parent of Sharecom. According to the applicant, the transaction will be virtually transparent to Sharecom's customers in terms of the service they receive. Sharecom will continue to provide services pursuant to its tariff currently on file at the Commission, with no inconvenience or confusion to Sharecom's customers.

The Applicant believes that the transaction is in the public interest because, after completing the transaction, Sharecom will

continue to be led by a team of well-qualified managers comprised in part of existing Sharecom personnel. In addition, Sharecom will draw upon the technical and managerial expertise of its new parent, RTC. The Parties expect that the managerial, technical and financial skill of this management team will enable Sharecom to not only continue providing quality service to its existing customers but to expand its customer base as well.

Analysis

The Commission finds, based on the application, that the proposed acquisition is in the public interest, and therefore, should be approved. Sharecom will have access to additional operating and administrative expertise that will enable Sharecom to continue providing quality service to its customers.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the sale or acquisition of public utilities that provide intrastate "regulated telecommunications services" as defined in ' 69-3-803(3), MCA.

2. The Commission has jurisdiction over all utility activities which affect a utility's duty to render "reasonably adequate service and facilities" at "reasonable" and "just" rates. ' 69-3-201, MCA.

ORDER

IT IS THEREFORE ORDERED by the Commission that:

1. Effective immediately, the proposed acquisition of American Sharecom, Inc. by Rochester Telephone Corporation is approved.

2. Approval of the proposed transfer does not constitute determination or approval of any ratemaking issues.

DONE IN OPEN SESSION at Helena, Montana, this 9th day of January, 1995, by a 5 to 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

NANCY McCAFFREE, Chair

DAVE FISHER, Vice Chair

BOB ANDERSON, Commissioner

DANNY OBERG, Commissioner

BOB ROWE, Commissioner

ATTEST:

Kathlene M. Anderson
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.